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## HEAVY RAINS FALL IN GRAIN PROVINCES

Estimates of Crop as High as  
300,000,000 Bushels for  
Western Canada.

Special to THE SUN AND NEW YORK HERALD.

Toronto, July 26.—Copious rains toward the end of the week over a great part of the Western prairies did wonders in relieving the wheat crop in districts where moisture was badly needed, and it would appear that danger of a serious setback from this cause has been averted. For a fortnight anxiety had been growing with the continuance of excessive hot, dry weather, but now there is much relief and it is thought Canada can make a substantial contribution to the needs of countries importing wheat.

It is too soon to make an estimate with any confidence, but the figure of 300,000,000 bushels of wheat has been mentioned for the West compared with 165,000,000 last year and 160,000,000 in 1918. Canadians are watching the movement of wheat on Chicago markets with a good deal of interest, as an indication of coming prices. This is the more important since the announcement of the Government at Ottawa that wheat control for this crop had been abandoned.

While the statistics from the West always arouse interest, because of their frequency and reliability, the part of the wheat in the West of agricultural wealth must not be forgotten. Ontario leads, with Quebec a close second. Last year the three prairie provinces of Manitoba, Saskatchewan and Alberta had field crops valued at \$408,000,000, of course, produced additional wealth, though not a large amount, in the sale of live stock. Ontario had field crops of \$283,000,000, and Quebec of \$101,000,000. In addition, Ontario sold live stock valued at \$150,000,000, dairy produce \$80,000,000 and fruit \$20,000,000. After allowing for the loss of crops in the estimates by the feeding of field crops to animals which were sold, it would probably be fair to say that Ontario's farm production last year was worth about \$400,000,000. From recent reports last year's figures will probably be equalled or exceeded by the output of 1920. Recent rains have added millions to the possible returns of Ontario farms, especially in spring grains, dairying and roots. Even the hay has benefited.

Without minimizing the importance of these satisfactory crop prospects, sober financial observers say that a good crop with its attendant prosperity may be mistaken for the day of financial reckoning instead of its mere postponement. So long as the vicious circle continues there is no hope that the long desired period of readjustment has been completed. The Dominion Government's food index for June again shows an increase, despite the weeks that have passed since it was reported that prices were falling. A heavy harvest in Canada this year will mean an increased note circulation to take care of the crop movement, and that will still further delay the day of deflation.

The bank statement for June shows an increase of \$16,000,000 in current loans in Canada, but happily the notice deposits nearly equal it at \$14,000,000. An indication of the inflation of twelve months is seen in the fact that current deposits have increased by \$231,000,000 since June, 1919, while notice deposits increased by only \$104,000,000. Likewise in foreign trade there are unsatisfactory features. Imports continue to grow, despite the raising of exchange and the propaganda for patronizing home industry. Imports for June were \$134,000,000, an increase of \$21,000,000 over May, while exports were \$108,000,000, an increase of \$22,000,000 over May. There has been an adverse balance of trade every month this year except January, until the excess of imports over exports for the first half of the year amounted to \$145,000,000.

Furthermore, wholesale dry goods dealers say that, owing to the high prices in Europe and the fact that Great Britain is deeply enmeshed in the continental market, Canadian buyers will be forced to turn to the United States during the next year for textiles they would ordinarily get in England. This of course will be another factor in maintaining adverse exchange against Canada.

Labor Conditions Better. While these little economic irritations continue it is useless to try to see through the developments of the immediate future. A distinguished Canadian banker regards the situation as decidedly mixed with the solution in the hands of the mass of the people who should work hard and work unitedly for the welfare of the country in peace as in war. Fortunately there is little labor trouble, though the Canadian railways may be forced to meet the advance in wages being granted in the United States. Some conditions are precipitating unemployment, chiefly the lack of fuel and steel for factories because of the transportation breakdown in the United States.

There is said to be more idle men in Montreal at present than at any time since 1915. An encouraging sign is the insecurity of employment increases the output per man because greater, and the chance of replacing destroyed wealth improves. The bugaboo of unemployment has been production over demand continues to retard output, but it may be realized before long that commodity prices will fall more rapidly than wages should a decided break occur.

Immigration is being tried out in Great Britain by Canadian officials, and already a batch of some 600 settlers has been picked out with an aggregate capital of \$1,000,000.

One of the favorites in the stock market during the week has been Ontario Steel Products, a thriving industrial which has put its common stock on a dividend basis for the first time, at 5 per cent. per annum. Profits for the year ended June 30 were \$315,900, compared with \$198,770 last year.

Early in the week trading was dull and prices reactionary on the Canadian exchanges, but a decided improvement was seen later. It looked as if the paper stocks had got a new position of favor with the traders, and prices again moved upward sharply. Atlantic Sugar was in demand all week on anticipation of cash payment for arrears of nearly 30 per cent. on preferred and a possible stock distribution. The fact that such profits are possible in sugar-refining, while the price of sugar to the consumer was advanced another 3 cents per pound during the week, is not a happy coincidence from the consumer's standpoint. Trading in mining stocks has been dull, but the higher priced issues have retained their popularity. Important finds of ore on the Dome and the McIntyre properties helped to stimulate interest.

The following is the summary of the week's trading on the Toronto Stock Exchange last week—

Stocks	High	Low	Close	Net
30 Am Sales	100	98	99	2
30 Am Sales	100	98	99	2
30 Am Sales	100	98	99	2
30 Am Sales	100	98	99	2
30 Am Sales	100	98	99	2
30 Am Sales	100	98	99	2
30 Am Sales	100	98	99	2
30 Am Sales	100	98	99	2
30 Am Sales	100	98	99	2
30 Am Sales	100	98	99	2

## CANADA'S EXPORTS DECLINE HEAVILY

Cessation of War Shipments  
and Adverse Exchange Rate  
Principal Causes.

Special Correspondence to THE SUN AND NEW YORK HERALD.

OTTAWA, July 26.—Canada's trade situation has reached a point where it is causing the Government a great deal of concern. During the war the Dominion's exports to other countries were stimulated by vast shipments of supplies and munitions. Hundreds of millions of dollars worth of commodities to feed and equip Canadian and other armies swelled export figures, and a pre-war adverse trade balance was easily reversed. With the war over, however, the position has greatly changed.

Whereas in 1918, for example, exports of cartridges and other munitions were valued at \$350,000,000, for the year ending May, 1920, the export value of these products was but \$5,000. The result of such a falling off is a sharp decline in export trade as a whole, and prospects are that the end of the present year will see Canada with a significant debit balance in her foreign commerce. Nor is the chaotic war situation the sole explanation of the situation. There are other causes which, everything considered, are almost equally to blame.

The first, and one of the most potent, is the adverse rate of exchange. Canadian economic and financial men have been pointing out that the discount on Canadian funds in the United States was really a blessing in disguise as it tended to check American exports, while, on the other hand, encouraging Canadian exports to the United States. What these observers appear to have overlooked, however, is that the exchange situation is one that cuts both ways, that European countries occupy the same position in regard to Canada as that which Canada holds in regard to the United States. European goods, for example, are at a heavy discount in the Dominion; with the result that it is highly impracticable for Europe to purchase and import Canadian goods at this time when the nations of the Old World are badly in need of everything that Canada manufactures.

Canadian Exports Decline.

Then there is the inability of Canada to maintain credits for European nations. During the war the natural tendency for exports to Europe to decline was arrested by the granting of extensive credits to Belgium, Rumania and Greece. Some of these have not been exhausted, and the probability is that they will be drawn upon to some extent this year. But further credits have not been authorized, and as the Government has not made provision for the floating of an additional domestic loan, out of which funds for foreign credits would be raised, it may be taken for granted that further credits are not being contemplated. The consequence is a more pronounced inability on the part of Europe to import goods from Canada, all of which makes for the decline of Canadian foreign trade.

Finally, export figures are being substantially affected by a decline in ship construction for foreign account. In the export figures for 1919 there appeared the not inconsiderable sum of \$50,000,000 for vessels sold to other countries. In 1920, owing to failure of the yards to secure European orders (due in large measure to the exchange situation and lack of credits) the value of ships to be turned out for Europe fell in all probability not exceed \$15,000,000. Therefore, as between one thing and another, it is quite apparent why exports to Europe are dwindling and the balance of trade beginning to tell heavily against the Dominion.

Just how heavily it is beginning to tell may be seen from a glance at the quarterly returns of the last four years, the figures being for the three months ending June 30:

Imports	Exports
1917.....\$291,918,000	\$320,488,000
1918.....251,391,000	298,678,000
1919.....260,000,000	244,080,000
1920.....340,303,000	227,236,000

Thus it will be seen that a balance of \$39,000,000 in Canada's favor in 1917, has been turned into an unfavorable balance of \$109,000,000 in 1920. For the first six months of the calendar year the change from a favorable to an adverse balance has been as follows:

January—Favorable balance.....\$17,035,222	February—Favorable balance.....2,860,452
March—Adverse balance.....44,278,354	April—Adverse balance.....42,420,139
May—Adverse balance.....\$12,159,000	June—Adverse balance.....26,197,400

British Imports Increase. Imports from Great Britain alone the most marked increase. The mother country has an adequate supply of ships, her factories are working at night, and she is sending Canada great consignments of textiles, reaping the additional advantage of having these orders paid for in Canadian funds, which are at considerable of a premium in London. Whereas in the twelve calendar months ended May, 1919, Canadian imports from Britain totaled only \$74,000,000, in the twelve months ended May, 1920, they totaled \$189,000,000.

Not how the policy of discouraging imports from the United States produced any appreciable effect. On the contrary imports from across the line continue at a tremendous rate; a fact which, having regard to the condition whereby the United States is at the present time the only country sending Canada capital, is not surprising. And there is every reason for believing that imports will continue to exceed exports at least \$100,000,000 a month—a fact that carries with it considerable danger.

The one sure remedy against the situation thus created would be a successful export to the United States. The world needs wheat, and will have to pay a good price for it. If, therefore, Canada should be fortunate enough in having 200,000,000 bushels of wheat for export it is probable that this would bring in the neighborhood of \$450,000,000. This amount would not only enable the Dominion to meet the \$300,000,000 that has to be paid for foreign countries annually in the form of interest on borrowed money; it would leave a sum sufficient to meet the adverse balance resulting from declining exports. Viewed in this light, the success of the Western wheat crop is vital to the Dominion's prosperity.

## HUGE OIL SUPPLY SEEN IN ALBERTA

Tar Sands of the Athabasca  
River to Be Developed When  
Fuel Is Available.

Special to THE SUN AND NEW YORK HERALD.

MONTREAL, July 26.—Proposals are already on foot for the reduction of the tar sands known to exist by the billions of tons along the Athabasca River in Alberta. From these sands it is estimated that huge quantities of gasoline, kerosene, naphtha, bitumen, tar and lubricating and fuel oils can be secured.

In 1913 Dr. Bowditch of the Imperial Oil Research Laboratories estimated that there would be sufficient oil obtained from the Athabasca tar sands to supply the entire world's demand for hundreds of years. By an order in council passed last week the Government has authorized the development of these sands by settlement or other disposal, thus leaving them free for development.

The passing of the order was recommended by Arthur Meighen while he was Minister of the Interior. Before the war Germany sent a number of chemists to make expert surveys of these tar sands with a view to securing a "strangle hold" on the properties for their own purposes. They saw in the immense deposits, it is stated, a prolific supply of tar for the manufacture of aniline dyes as well as a plentiful supply of oil and gasoline. One of these German chemists had actually taken out a lease in 1913, but he died on shipboard before reaching Germany, so nothing ever came from his action.

Attempts have been made by experts of the Department of Mines to compare the amount of tar sands available for reduction. The nearest estimate they can reach amounts up into the billions of tons. The one hindrance to their development at the present time is the scarcity of fuel with which to withdraw the oils, as heat must be applied. To overcome this scarcity there is a hope that natural gas may be struck at Pelican, 150 miles south.

DOMINION GAINS LEGAL VICTORY

Privy Council Rules on Constitutional Question.

Special Correspondence to THE SUN AND NEW YORK HERALD.

OTTAWA, July 26.—A highly important decision, involving the constitutional status of the Dominion, has just been given in London by the Judicial Committee of the Privy Council.

The decision was concerned with an appeal to the Privy Council made by R. B. Russell, one of the most prominent of the conspirators connected with the Winnipeg strike. Russell was found guilty of sedition by two courts in Manitoba, and under a Canadian law passed in 1887 could make no further appeal except to the Minister of Justice, who has power to order a new trial. Russell, however, declined to appeal to the Justice Department, but appealed instead to the Judicial Committee of the Privy Council in London. This quite clearly was defiance of the law of 1887, which in effect decreed that all residents of Canada shall be solely subject to Canadian laws, courts and institutions.

The Dominion Government resisted the application upon various grounds, but chiefly upon the constitutional ground that the legislation of 1887 was within the competency of the Canadian Parliament, and that by virtue of its enactment the Judicial Committee of the Privy Council had no jurisdiction to hear the appeal.

This contention the law lords of the Privy Council completely upheld, the court declining to hear Russell's counsel. The result is hailed by the Canadian press as one more illustration of the fact that to all intents and purposes the Dominion is completely free to make and interpret its own laws according to its own desire.

## VAST AREAS OPEN FOR SETTLEMENT

Prairie Provinces Estimated to  
Have 33,818,000 Acres.

Special to THE SUN AND NEW YORK HERALD.

CALGARY, Alta., July 26.—How many acres within fifteen miles of railways in the three prairie provinces of western Canada are still available for settlement? This question has been variously answered in recent months. Col. J. S. Dennis, Commissioner of Immigration and Colonization of the Canadian Pacific Railway, in an address before the Alberta Industrial Congress, said 40,000,000 acres. The Western Canadian Association gave the figure as 20,000,000. Mayor Brown of Medicine Hat in speeches in the United States fixed it at 25,000,000.

The question is difficult to answer with exactness. William Pearce, surveyor, engineer, statistician, business man and pioneer, is said to have the widest first-hand acquaintance with the three prairie provinces of any man in Canada. In view of the recent conflicting statements he undertook to give an estimate based on careful computations, and it is believed that his figure is as nearly correct as it is possible to approximate. Mr. Pearce says that in the prairie provinces lying within fifteen miles of transportation lines 33,818,000 acres are still available for settlement. He divided this area according to the location in this way: Manitoba, 4,039,000; Saskatchewan, 17,188,000; Alberta, 12,600,000.

This land includes that owned by the Government, railways, corporations and individuals. Much of the Government land has been devoted to soldier settlement.

## VETERAN FUR TRADER WINS GOLD MEDAL

Hudson's Bay Company Governor Makes Award.

Special to THE SUN AND NEW YORK HERALD.

EDMONTON, Alta., July 26.—Louis LaRogue received a gold medal for long and faithful service from Sir Robert Kindersley, governor of the Hudson's Bay Company, during his visit here. He has been with the company continuously for forty-seven years. He joined it in 1873.

In 1873 Winnipeg was a village of a few hundred people clustered about the walls of Fort Garry. Edmonton was a fur post in a wilderness where only inhabitants were Indians, Garry, Regina, Saskatoon and Moose Jaw were undeveloped. There was scarcely a farmer west of Red River Valley. The Hudson's Bay Company had just laid down its sceptre as ruler over three-fourths of North America. All remaining lands of its once vast empire are now being sold out to farmer settlers. With the passing of its territories and its sovereign powers the company has become a great department store merchant and to-day does a large fur business. It is the only fur company in the world. All the marvellous agricultural and industrial development of western Canada of to-day has taken place while LaRogue held his job.

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